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Contact: Darren Pudgil / Rachel Laing
(619) 301-2884 / (619) 929-7946

MAYOR JERRY SANDERS

FACT SHEET

MAYOR'S MAY REVISION USES REVENUE WINDFALL TO RESTORE RECREATION CENTER, LIBRARY HOURS

Rebound in hotel tax revenues expected to add another \$3.4 million in revenues

Mayor Jerry Sanders today released his May revision to his proposed budget, which reflects projections based on recent data showing a stronger-than-expected rebound in hotel room taxes. The mayor used these new revenues to restore hours to neighborhood services that were cut in his initial proposed budget.

Under the revised budget, the mayor was able to fully restore recreation center hours and partially restore library hours, so that one library in each of the eight City Council districts will operate at the full 36 hours. In addition to higher hotel taxes, the revision includes new, ongoing revenues from a recently renegotiated contract with Lindbergh Field for fire-rescue support (\$1 million), as well as a portion of proceeds from the sale of the World Trade Center building (\$2.5 million) and savings from managed competition and mobile phone reductions (\$200,000 each).

“I’m extremely pleased to see the continued improvement in the economy will mean we don’t have to cut our park and libraries as deeply in order to balance the budget,” Sanders said. “I’m confident that, with the reforms and reductions we’ve made over the past several years, we’ll finally eliminate the city’s decades-old structural budget deficit by next year.”

The revised budget also takes advantage of additional funds available for next year only, matching them with one-time investments in infrastructure, including upgrades to the fire-station alert system, police dispatching computers and software, lifeguard training and ADA projects.

These one-time funds – a result of increased collections on parking enforcement, debt repayment from by the Redevelopment Agency and federal grants for retiree health benefits – were used on one-time expenditures to avoid adding to next year’s projected \$41 million deficit.

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